



United States Attorney's Office
District of Nevada
Reno
FACSIMILE COVER SHEET

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Date: June 1, 2006

Pages (w/ cover): 7

Please find attached 6 pages (4-9) from SA Mike West's application and affidavit for search warrant re: 12720 Buckthorn Lane. As I advised you last Friday, DoD has confirmed that material originally marked classified as SECRET was, in fact, not properly classified by an Original Classification Authority within the U.S. Air Force. As such, our concerns for protecting certain information and identities as reflected in the redacted affidavit provided to you in court on Friday, May 26, 2006, are no longer present.

Note that the redactions on pages 10, 11, 12, and 14 of the above-referenced application and affidavit are still left in place.

A copy of this is being delivered to the Court in a sealed envelope per the Court's order of May 16, 2006.

L/B

* * * COMMUNICATION RESULT REPORT (JUN. 1.2006 12:02PM) * * *

TTI U S ATTY OFFICE RENO

FILE MODE	OPTION	ADDRESS (GROUP)	RESULT	PAGE
670 MEMORY TX		918882354279	OK	P. 7/7

REASON FOR ERROR

E-1) HANG UP OR LINE FAIL
E-3) NO ANSWERE-2) BUSY
E-4) NO FACSIMILE CONNECTION

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1 Development Sloan Venables, had the access rights to duplicate, modify, or delete Source Code
2 files maintained on the Source Code and ISA Servers.

3 MONTGOMERY was responsible for and regularly maintained a separate backup
4 copy of the Source Code Server data on an eTreppid black Lianli Central Processing Unit (CPU)
5 connected to an Ultra Storage eight hard drive RAID storage unit, Model 2081, serial number
6 6564737, located in a work area occupied by MONTGOMERY in the eTreppid warehouse.

7 As an additional security measure, Trepp required MONTGOMERY to provide
8 him with periodic copies of eTreppid's current Source Code files on compact disks or hard drives
9 over the past seven years which Trepp stored in a secure off-site location.

10 eTreppid's facility is physically secured by door locks, access control devices, and
11 a monitored alarm system. eTreppid also maintains a video surveillance system that records
12 sixteen surveillance cameras covering internal and external views of eTreppid's facility.

13 On March 12, 2003, eTreppid was awarded a contract from the U.S. Special
14 Operations Command (SOCOM), Fort Bragg, North Carolina, to develop Automatic Target
15 Recognition software which required eTreppid to have access to Secret material at other contractor
16 and government locations. On August 1, 2005, SOCOM amended the Department of Defense
17 (DOD) contract Security Classification Specification, DD Form 254, permitting eTreppid to store
18 Secret material at the facility.

19 On or about August 25, 2003, MONTGOMERY received and signed a Security
20 Briefing from Michael S. Allen, Department of the Army, U.S. Army Security Operations Training
21 Facility (SOTF), Fort Bragg, North Carolina, regarding MONTGOMERY's obligation to protect
22 either sensitive or classified material which concern the security of the United States of America
23 due to MONTGOMERY's assignment, employment, or association with SOTF.

24 On or about September 16, 2003, MONTGOMERY received another Security
25 Briefing from the Defense Security Service, Nellis Air Force Base (AFB), Las Vegas, Nevada, and
26 signed a Standard Form 312, "Classified Information Nondisclosure Agreement", in which

1 MONTGOMERY was made aware of his obligation to protect from unauthorized disclosure,
2 unauthorized retention, or negligent handling of classified information, marked or unmarked,
3 which could cause damage or irreparable injury the United States or could be used to advantage by
4 a foreign nation.

5 During the period of November 9, 2005 to November 18, 2005, Patty Gray, Vice
6 President of Product Development, traveled to Predator Drone Operations Center located on the
7 Nellis AFB, and recorded Secret Predator Drone video images onto nine eTreppid hard drives for
8 use in the development of the Automatic Target Recognition software. Gray marked the nine hard
9 drives with red standard U.S. Government Secret labels as instructed by contractor personnel at
10 Nellis AFB and placed a hand written descriptor label on each of the nine hard drives. Gray
11 subsequently mailed the nine Secret hard drives to eTreppid in Reno, Nevada, and these Secret
12 hard drives were stored in a GSA approved safe as required by the DOD. Gray, Trepp, and
13 MONTGOMERY were the only eTreppid employees with the combination to the safe.

14 On or about December 6, 2005, Gray discovered that the nine Secret hard drives
15 were not in the GSA approved safe and notified Trepp who told MONTGOMERY to store the
16 Secret hard drives correctly in the GSA approved safe. On or about December 7, 2005,
17 MONTGOMERY told Gray all the Secret hard drives were stored in a file cabinet in the
18 warehouse. Gray informed MONTGOMERY that this was not the correct location to store the
19 Secret hard drives and notified Trepp. On December 8, 2005, all nine Secret hard drives were
20 returned to a GSA approved safe which was accessible by Gray, Trepp, and MONTGOMERY.

21 On or about December 13, 2005, Gray was completing work on copying selected
22 data from the Secret hard drives to four Mini DV cassette tapes at the request of Trepp. Gray
23 found the nine Secret hard drives missing from the GSA approved safe and notified Trepp.
24 MONTGOMERY returned all nine Secret hard drives to the GSA approved safe. Later on
25 December 13, 2005, Gray handed MONTGOMERY two Mini DV cassette tapes labeled Secret.
26 Gray placed the two other Secret Mini DV cassette tapes in the top drawer of the GSA approved

1 safe and changed the combination so she was the only one with the combination.
2 MONTGOMERY told Gray he was condensing the nine original Secret hard drives as some were
3 only partially full. MONTGOMERY eventually provided Gray with the nine original Secret hard
4 drives and six additional hard drives labeled Secret by MONTGOMERY. Gray secured the nine
5 original Secret hard drives and the six Secret hard drives containing copies of the nine original
6 Secret hard drives in the bottom drawer of the GSA approved safe. The bottom drawer of the
7 GSA approved safe was only accessible by Gray, Trepp, and MONTGOMERY.

8 On or about December 15, 2005, Gray again found all nine original Secret hard
9 drives missing from the GSA approved safe. MONTGOMERY told Gray that he wanted to store
10 the hard drives in the file cabinet in the warehouse. Gray informed MONTGOMERY this was not
11 the appropriate way to secure classified content and he was risking losing his security clearance.
12 MONTGOMERY stated "I don't care about my clearance. They'll always give me my clearance
13 because they want me to do the work". Gray notified Trepp and Trepp agreed that access to the
14 classified material needed to be restricted and instructed Gray to place all classified material in the
15 top drawer of the GSA approved safe. Gray changed the combination to the top drawer and was
16 the only eTreppid employee with the combination. Gray secured all classified material in the top
17 drawer of the GSA approved safe, to include the nine original Secret hard drives.

18 On or about Sunday, December 18, 2005, MONTGOMERY attempted to contact
19 Gray by text message to get access to the classified material. Eventually, Trepp contacted Gray by
20 telephone and instructed Gray to give MONTGOMERY the combination to the top drawer of the
21 GSA approved safe so MONTGOMERY could work and all classified material would be re-
22 secured on Monday.

23 On or about December 19, 2005 or December 20, 2005, Barjinder Bal, a Software
24 Developer at eTreppid, observed MONTGOMERY delete eTreppid Source Code files from the
25 hard drive installed in his (Bal's) computer workstation which Bal had not recently used.
26 MONTGOMERY stated he deleted the files for security reasons and copies of these files were

1 accessible on the Source Code Server. At that time, Bal observed that more recent Source Code
2 files he used in his development efforts remained on his hard drive installed in his computer
3 workstation.

4 On or about December 21, 2005, Sloan Venables, Director of Research and
5 Development, discovered that the Central Processing Unit and RAID storage unit used by
6 MONTGOMERY to backup the Source Code Server was missing. Venables asked
7 MONTGOMERY what happened to the Central Processing Unit and RAID storage unit and
8 MONTGOMERY stated he took them home. Venables described the missing equipment as a
9 black Lianli Central Processing Unit (CPU) connected to an Ultra Storage eight hard drive RAID
10 storage unit, Model 2081, serial number 6564737. Venables stated this equipment is large and
11 heavy. Venables has never known MONTGOMERY to remove this equipment from the eTreppid
12 facility as MONTGOMERY used the equipment on a daily basis.

13 Also on December 21, 2005, Venables installed and activated the Internet Security
14 Accelerator (ISA) Server designed to back up all of eTreppid's server's data, including the Source
15 Code Server. Prior to leaving eTreppid on December 21, 2005, Venables verified that the ISA
16 Server was operating properly and noted data was being successfully completed from eTreppid
17 servers.

18 On or about December 22, 2005, both Gray and Venables departed Reno, Nevada,
19 for the Christmas holiday and did not return to Reno, Nevada, until January 3, 2006.

20 In December 2005, right before the Christmas holiday, Venkata Kalluri, a
21 Software Developer at eTreppid, noticed the collection of eTreppid Source Code files that he had
22 stored on the hard drive installed in his computer workstation had been deleted. Kalluri asked
23 MONTGOMERY about these files and MONTGOMERY explained that he was backing up
24 eTreppid Source Code and would provide Kalluri the portion eTreppid Source Code necessary for
25 him to work. Between December 25, 2005, and January 1, 2006, Kalluri would request eTreppid
26 Source Code file from MONTGOMERY and MONTGOMERY would place the request Source

1 Code file on a shared drive where Kalluri retrieved the Source Code file. Upon completing his
2 work on that Source Code file, Kalluri would copy the file back to the shared drive and inform
3 MONTGOMERY who was responsible for copying that file to the Source Code Server.

4 On or about December 23, 2005, James Bauder, an employee at eTreppid, moved
5 six closed boxes from MONTGOMERY's office to the back door of the warehouse at
6 MONTGOMERY's request. Bauder was not aware of the contents of these boxes. Bauder
7 observed MONTGOMERY load at least two of these boxes into MONTGOMERY's truck.
8 Bauder has never known MONTGOMERY to remove anything from the facility in the past.

9 On or about January 3, 2006, Venables returned from vacation and noticed the
10 Source Code Server cabinet and keyboard were in disarray. Venables entered the Server Room
11 and found the Source Code Server screen active and could see a process running on the screen.
12 Shortly thereafter, MONTGOMERY entered the Server Room and Venables asked
13 MONTGOMERY what he was doing. MONTGOMERY stated he was "cleaning stuff up."
14 Venables went to the warehouse to further discuss what MONTGOMERY was doing on the
15 Source Code Server and MONTGOMERY stated he was just "cleaning stuff up" and deleting old
16 files. While in the warehouse, Venables noticed the Central Processing Unit and RAID storage
17 unit used by MONTGOMERY to backup the Source Code Server was still missing. On or about
18 January 3, 2006, Venables asked MONTGOMERY where was the equipment and
19 MONTGOMERY stated "I'll bring it back, I don't need it anymore."

20 Venables looked at the Source Code Server and found that the majority of the
21 Source Code files contained in specific folders used by the Software Developers had been
22 systematically deleted. Venables attempted to access the ISA Server which he found inoperable
23 and unable to access.

24 On or about January 9, 2005, Trepp became aware that the Source Code was
25 missing when his employees complained that they were unable to operate their computer systems.
26 Trepp asked Venables about the problem and was told by Venables that all eTreppid's Source

1 Code had been deleted from the Source Code Server, the ISA Server, and all of eTreppid's
2 Software Developer's workstations. Trepp confronted MONTGOMERY who said that the Source
3 Code could be located on the 753 removable hard drives located at the company. Trepp instructed
4 eTreppid employees to conduct an analysis of each of the company's 753 hard drives in an effort
5 to locate the Source Code. The two day analysis failed to locate the Source Code.

6 While looking for the Source Code on eTreppid hard drives, Gray located seven
7 hard drives containing copies of the nine original Secret hard drives recorded at Nellis AFB in
8 MONTGOMERY's file cabinet. Gray checked the drawer in the GSA approved safe where all
9 Secret material was to be maintained and found seven more hard drives containing copies of the
10 nine original Secret hard drives recorded at Nellis AFB. A complete search of the eTreppid
11 facility failed to locate the nine original Secret hard drives recorded or two Secret Mini DV
12 cassette tapes containing copied segments of the original Secret hard drives. Gray stated that she
13 and MONTGOMERY were the only eTreppid employees with access to the top drawer of the
14 GSA approved safe.

15 On or about January 10, 2006, Trepp instructed Venables to review eTreppid's
16 video surveillance system. Venables found that each of the sixteen computer systems were no
17 longer recording video from eTreppid's sixteen cameras. Venables also found that all video
18 footage stored on the sixteen computer systems had been deleted.

19 MONTGOMERY returned to eTreppid on morning of January 10, 2006, when
20 Venables asked MONTGOMERY where was eTreppid's Source Code. MONTGOMERY stated it
21 was on 320 gigabyte hard drives in the building. No such hard drives were located.
22 MONTGOMERY again returned to eTreppid later on January 10, 2006, and Venables again asked
23 MONTGOMERY where a certain part of the Source Code to which MONTGOMERY stated "he
24 (Trepp) needs to give me big money if he wants it."

25 Trepp retrieved the annual or periodic copies provided to him by
26 MONTGOMERY over the last seven years from the secure off-site location. Venables conducted